



Daily Oil Market Comment

03/11/04

Prices continued to fall ahead of the US Presidential election. WTI settled below \$50 for the first time in a month as traders continued to sell due to (a) possible Kerry win in the election (b) US Gulf crude production now only 218kbpd lower than normal and (c) crude stocks getting more comfortable in the USA. This is despite the fact that 3 Iraqi oil pipelines were sabotaged yesterday, Bush may still win and distillate stocks in the US and Europe at historic lows. This is ripe for more price volatility. Technically the market remains in short term downtrend. After hours ACCESS trading has WTI down another \$0.42/bbl this morning.

Singapore prices were down \$2.68/bbl as they caught up with the futures market from Monday night and Tuesday. The market is now lacking bidders in a volatile market that is correcting down. Expect Singapore prices to be down another \$0.45/bbl this morning.

Closing Prices Tuesday November 2, 2004:

| | | |
|------------|-------------|-------------------------|
| WTI | \$49.62/bbl | -\$0.51/bbl |
| Brent | \$46.55/bbl | -\$0.51/bbl |
| IPE Gasoil | \$426.00/t | -\$6.00/t = -\$0.80/bbl |

Asian Day Market Movement

Oil prices continued to weaken as traders and funds liquidate their length before the US Presidential elections. There is no other news supporting this fall so analysts expect this price drop to be temporary. Technically the market is in the down trend and should continue to weaken.

Singapore prices were down with futures and the physical markets today saw no bidders for either gasoil or kero. Again traders are keeping to the sidelines in this volatile time.

Prices at at 5:30pm Singapore Time Tuesday November 2, 2004:

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|------------|-------------|-------------------------|
| WTI | \$49.70/bbl | -\$0.43/bbl |
| Brent | \$46.70/bbl | -\$0.36/bbl |
| IPE Gasoil | \$424.75/t | -\$7.25/t = -\$0.97/bbl |